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OF

OFFICIAL FILE

I.C.C. DOCKET NO. 00-0366
 EXHIBIT NO. 1.0

C.I.W.C Exhibit No. 1.0

Witness _____ *AR*

Witness _____
Date 11-9-00 Reporter AR

Q. Please state your name and business address.

A. Terry J. Rakocy, 1000 S. Schuyler Avenue, Kankakee, Illinois 60901.

Q. By whom are you employed and in what capacity?

A. I am the President of Consumers Illinois Water Company.

Q. Please state your educational, professional and business background and experience leading up to your current position.

A. I graduated from Youngstown State University, Youngstown, Ohio in 1972. I received a Bachelor of Science Degree in Industrial Engineering. In addition, I attended the Ohio State University College of Business, and completed the Executive Development Program in 1990. I hold a Professional Engineer registration from the State of Ohio, and a Class II Operator License in water Distribution from Ohio EPA. My professional affiliations include the National Association of Water Companies, in which I serve on the Customer Service Committee, and the Illinois-Missouri Chapter of the National Association of Water Companies, in which I am a Director of the organization. Other professional affiliations include the American Water Works Association and the Illinois Section of American Water Works Association. I have twenty-six years of progressive management experience in the area of water supply, treatment, and distribution; plus experience in wastewater collection and treatment. The experience has included seven years of operation responsibilities as Chief Engineer of the 63,000 customer City of Youngstown, Ohio municipal water system; Project Manager for a 3.0 MGD water

1 treatment plant expansion; Assistant Division Manager and Division Manager for the
2 25,000 customer Consumers Ohio Water Company, Massillon Division; President of the
3 8,000 customer Consumers New Hampshire Water Company; and currently President of
4 Consumers Illinois Water Company.
5

6 **Q. What are your responsibilities as President of CIWC?**

7 A. I am responsible for the overall leadership, management and operations of Consumers
8 Illinois Water Company, which serves approximately 52,000 water customers and
9 10,000 wastewater customers in the State of Illinois. I have direct responsibility for
10 planning, organizing and staffing. I, along with the other officers of the company, have
11 responsibility for customer satisfaction and public relations including local and state
12 government officials, and news media. I am responsible for the financial performance of
13 the company, including business plan development. In addition, I am responsible for
14 marketing, legislative relations, regulatory relations and parent company relations.
15

16 **Q. Have you previously testified in regulatory matters?**

17 A. Yes. I testified in several proceedings before the Public Utilities Commission of Ohio
18 and the New Hampshire Public Utilities Commission. Most recently I testified before the
19 Illinois Commerce Commission on the merger of Consumers Water Company and
20 Philadelphia Suburban Corporation, in Docket 98-0602.
21

22 **Q. Are you familiar with the property, business and operations of the Consumers**
23 **Illinois Water Company?**

24 A. Yes, I am.
25

26 **PURPOSE OF TESTIMONY**

27 **Q. What is the purpose of your testimony in this proceeding?**

28 A. The purpose of my testimony is to explain the Company's request for issuance of a
29 Certificate of Public Convenience and Necessity ("Certificate") to serve the area of the
30 Ivanhoe Club Subdivision ("Ivanhoe Club"), discuss the accounting entries related to the

1 acquisition of water and sewer facilities needed to serve the Ivanhoe Club and discuss the
2 rates to be applied for water and sewer service.

3
4 **Q. Are you familiar with the Verified Petition filed by the Company in this matter?**

5 A. Yes, I am.

6
7 **Q. Are the statements made in the Verified Petition true and correct to the best of your
8 knowledge?**

9 A. Yes, they are.

10
11 **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

12 **Q. Please discuss the area for which a Certificate of Public Convenience and Necessity
13 has been requested in this proceeding.**

14 A. CIWC has been requested to provide water and sewer service to members of the public
15 within the Area shown in CIWC Exhibit "A," Pages 1 and 2, and legally described in
16 CIWC Exhibit "B." The Area includes the Ivanhoe Club Subdivision ("Ivanhoe Club"),
17 which, when fully developed will encompass 245 residences, golf courses, a golf course
18 clubhouse and other recreational facilities. At present, Ivanhoe Club includes
19 115 residences and golf and recreational facilities.

20
21 **Q. What entity presently provides water and sewer service within the area?**

22 A. Public water and sewer utility service is presently provided by a water system ("Water
23 System") and a sanitary sewer system ("Sewer System") owned by Bank Popular, Illinois,
24 as Trustee under a Trust Agreement dated December 1, 1986 and known as Trust
25 Number 1250 (the "Trust") and Thorngate Country Club, Inc., as sole beneficiary under
26 the Trust (collectively, "Thorngate") and Ivanhoe Club Mutual Water and Sewer System,
27 Inc. ("Mutual Services").

28
29 **Q. Please discuss the facilities which make up the Water System and the Sewer System.**

30 A. The Water System consists of reservoirs; wells; aquifers; treatment facilities; distribution
31 mains; valves; hydrants; service lines from the distribution main to the curb stop,

1 including the curb stop; meters; and related equipment. The Sewer System consists of
2 purification lagoons; storage stations; chlorinating facilities; groundwater monitoring
3 wells; force mains; comminutors; lift stations; pumping equipment; aeration equipment;
4 collection lines (including the 12 inch effluent line from the lagoon system to the
5 irrigation pump station); manholes; and such other equipment and facilities used to
6 provide waste water treatment services to the Ivanhoe Club. The Sewer System does not
7 include facilities for a storm sewer.
8

9 **Q. What entities presently have ownership of the Water System and Sewer System?**

10 A. Thorngate operates the Water System and Sewer System, and owns the portions of the
11 Water System and Sewer System which are on its property (the "Club Property").
12 Mutual Services owns the portions of the Water System and Sewer System which are
13 installed throughout the residential property adjacent to the Club Property ("Residential
14 Property"). Together, the Residential Property and Club Property comprise the Ivanhoe
15 Club.
16

17 **Q. Why does Thorngate wish to transfer control of operation of the Water System and
18 Sewer System of CIWC?**

19 A. Thorngate is, among other things, in the business of owning and operating a country club
20 facility and is not expert in the business of providing water and sewer utility service.
21 Thorngate is not familiar with the provisions of the Safe Drinking Water Act or Clean
22 Water Act and has concerns with respect to its future ability to comply with those Acts.
23 For these reasons, Thorngate has indicated its desire to transfer ownership and control of
24 the Water System and Sewer System to CIWC.
25

26 **Q. Please discuss the structure of Mutual Services.**

27 A. The members of Mutual Services are the two Homeowners Associations which serve
28 residences within the Residential Property. Aside from the portions of the Water System
29 and Sewer System located within the Residential Property, Mutual Water and Sewer
30 Association Services has no utility property. The Homeowners Associations have

1 requested that CIWC acquire ownership and control of the Water System and Sewer
2 System. —
3

4 **Q. Do you have copies of the agreements under which CIWC will acquire the water
5 system and sewer system?**

6 A. Yes. Subject to the approval of the Commission, CIWC will acquire the portions of the
7 Water System and Sewer System owned by Thorngate and Mutual Services, pursuant to
8 the two agreements (referred to jointly as the "Agreements") marked as CIWC
9 Exhibits "C" and "D", respectively.
10

11 **Q. Please explain the basis of your belief that a Certificate should be issued to CIWC in
12 this proceeding.**

13 A. The public convenience and necessity require that CIWC operate and maintain a public
14 water supply and distribution system and a sewage collection system in the Area. Aside
15 from Thorngate and Mutual Services, no municipal corporation or other entity owns a
16 water supply and distribution system or sewage collection system within, or within a
17 reasonable proximity to, the Area; or is authorized to do so, or is able to render public
18 water and sewer utility service to the Area. CIWC has the technical, financial and
19 managerial ability to operate and maintain a public water supply and distribution system
20 and a sewage collection system for the Area, without adverse financial consequences for
21 existing customers.
22

23 **Q. Will the customers of Ivanhoe Club realize benefits as a result of the acquisition?**

24 A. As discussed above, Thorngate does not have the knowledge or experience needed to
25 assure future compliance with water quality requirements. Also, the financial strength of
26 the CIWC system will assure that the Ivanhoe Club area system will have an enhanced
27 ability to attract necessary capital at competitive rates. As a part of CIWC, customers in
28 the Ivanhoe Division will also benefit from improved service. The Ivanhoe Division will
29 benefit from state-of-the-art laboratory facilities maintained in Illinois by CIWC. Also,
30 CIWC's customer service personnel at the corporate headquarters will be available to
31 customers served by the Ivanhoe Division. The center is a single facility established to

1 handle all customer inquiries statewide. Through CIWC's state-wide employee base of
2 trained professionals, the Ivanhoe Division will be better able to respond to natural
3 disasters and other emergencies. The CIWC system has approximately 100 employees
4 statewide, including numerous experts and professionals in every facet of water service.
5 CIWC's state-wide resources can be brought to bear in emergency situations to assist the
6 Ivanhoe Division.

7
8 **Q. Do existing customers also benefit from system expansion?**

9 A. Yes. Although the Ivanhoe Club area itself is small, the acquisition of this area
10 represents CIWC's first opportunity to provide service in Lake County, a region which
11 has significant growth potential. Through customer growth, CIWC can achieve
12 long-term cost savings from the realization of economies of scale and operating
13 efficiencies that result from the spreading of common administrative/management costs
14 over a wider customer base. Growth through acquisitions also will enhance the
15 Company's ability to fund increasing infrastructure needs driven by aging plant,
16 technology changes and increasingly rigorous water quality requirements.

17
18 **ACCOUNTING ENTRIES**

19 **Q. Please discuss the accounting entries which will be made to record the acquisition of**
20 **the water system and sewer system.**

21 A. In accordance with Commission policy and the Uniform System of Accounts (83 Ill.
22 Admin. Code, Part 605, Accounting Instruction 17), CIWC proposes to record the
23 estimated net original cost of the Water System and Sewer System in the applicable plant
24 accounts. The difference between the cost of the Water System and Sewer System, (net
25 of depreciation, deferred tax and applicable contributions), and purchase price would be
26 recorded in Account 114 - Acquisition Adjustments. CIWC proposes to dispose of the
27 acquisition adjustment as a credit to Account 421 - "Non-Operating Income." The
28 accounting entries proposed by CIWC are shown in CIWC Exhibit "E," Pages 1 and 2.

1 **APPLICATION OF RATES**

2 **Q. Please discuss the provisions of the documents related to CIWC's acquisition of the**
3 **water system and sewer system which relate to the level of rates which should be**
4 **applied.**

5 A. Under the terms of "Declaration of Covenants, Conditions and Restrictions for the
6 Mutual Water and Sewer System of Ivanhoe Club," a document terminated by the
7 Agreements, the charges for water and sewer service to customers within Ivanhoe Club
8 are based on the charges for such services imposed by the Village of Mundelein, Illinois
9 ("Village"), as those charges are amended from time to time. Under the Agreements,
10 CIWC would, subject to the approval of the Commission, continue this approach for the
11 first ten years following acquisition of the Water System and Sewer System. Following
12 the first ten years, the water and sewer rates in effect for Ivanhoe Club would be those
13 established by the Commission.

15 **Q. Do you have an Exhibit which sets forth the present rates of the Village of**
16 **Mundelein?**

17 A. Yes. Rates equivalent to the water and sewer rates presently imposed by the Village are
18 set forth in the tariff sheets marked as CIWC Exhibit "F." These are the rates currently in
19 effect for Ivanhoe Club.

21 **Q. Have you prepared data which can be used in evaluating the proposed rates to**
22 **determine whether or not those rates are excessive?**

23 A. Yes. Forecasted water and sewer operating income statements for the Ivanhoe rate area
24 for the period ended December 31, 2000, and the period ended December 31, 2004, are
25 set forth in CIWC Exhibit "G," Pages 1, 2 and 3. The forecasted levels of revenue for the
26 period ended December 31, 2000 reflect application of the rates set forth in CIWC
27 Exhibit "F." Assumptions used in developing the forecasted income statements for the
28 period ended December 31, 2004 are shown in CIWC Exhibit "G." Forecasted average
29 rate bases for the Ivanhoe area for the years 2000 and 2004 are shown in CIWC
30 Exhibit "H," Pages 1 and 2.

1 Q. In your opinion, would adoption of the rates in effect in the Village of Mundelein
2 produce an excessive level of revenue for the Ivanhoe Club area?

3 A. No.
4

5 Q. What is the basis of your belief.

6 A. If application of water and sewer rates equivalent to the present rates charged by the
7 Village is continued, the resulting rates of return on the water and sewer rate bases (4.9%
8 and 0%, respectively, for the year 2000) are each below the rate of return on rate base
9 allowed by the Commission in the Company's last rate proceeding, Docket 99-0288
10 (9.55%). The rates set forth in Exhibit "F," therefore, are not in excess of reasonable
11 rates.
12

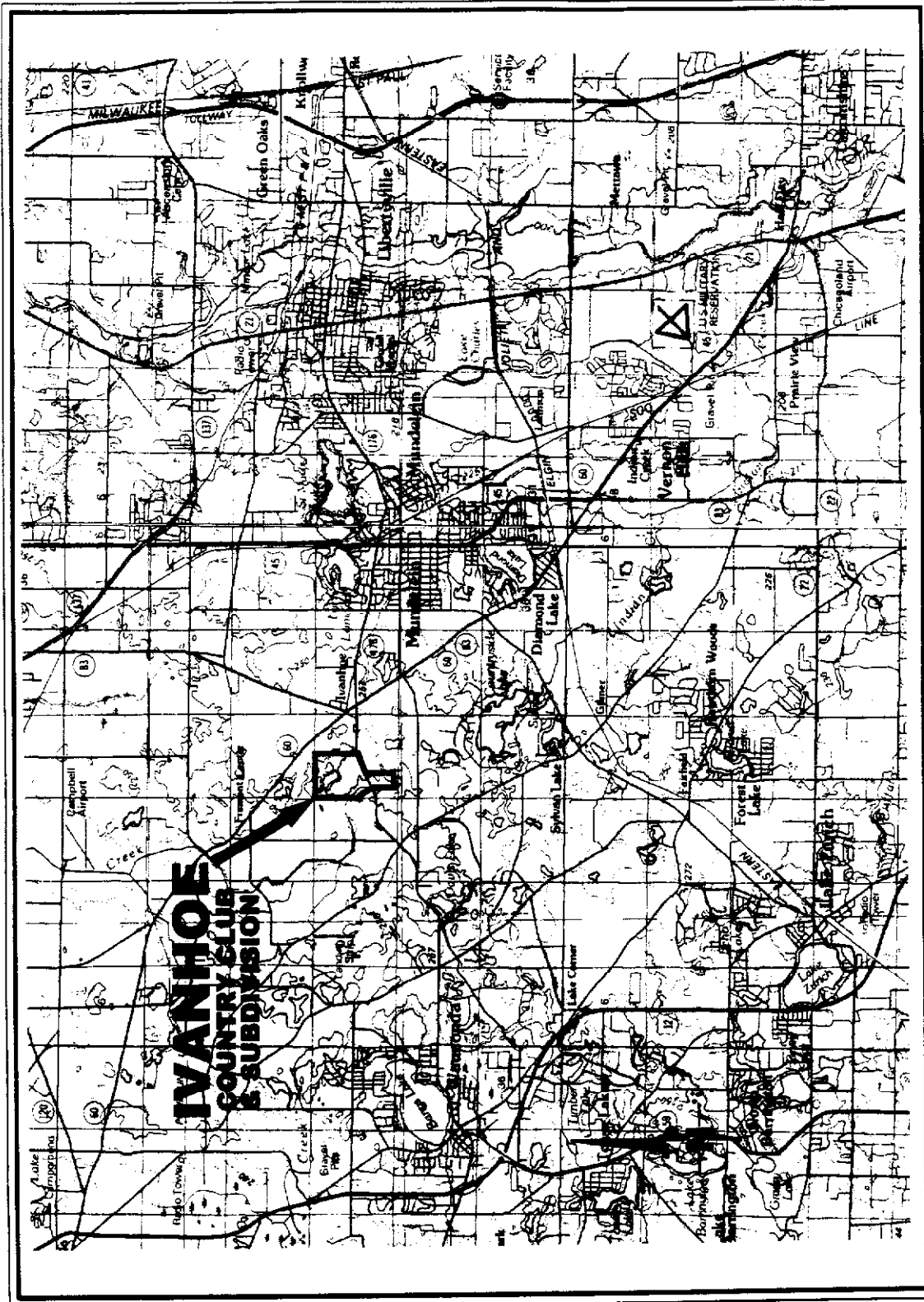
13 Q. Please further discuss the Company's proposal with regard to the rate which should
14 be approved for use in the Ivanhoe Club area.

15 A. Based on the Agreements and data discussed above, the Company requests authority to
16 place into effect the tariff sheets marked as CIWC Exhibit "F." For the first ten years
17 following the acquisition, these tariffs would authorize the Company to place into effect
18 in Ivanhoe Club rates for water and sewer service, respectively, which are no greater than
19 the water and sewer rates of the Village, as those rates are amended from time to time.
20 Under the tariffs, when the rates of the Village are changed from the present level, the
21 Company would file the actual rates to be placed into effect in accordance with the
22 tariffs, along with supporting information, fifteen days prior to the time that such rates
23 would take effect.
24

25 Q. Does this conclude your testimony

26 A. Yes it does.
27
28

LAKE COUNTY, ILLINOIS

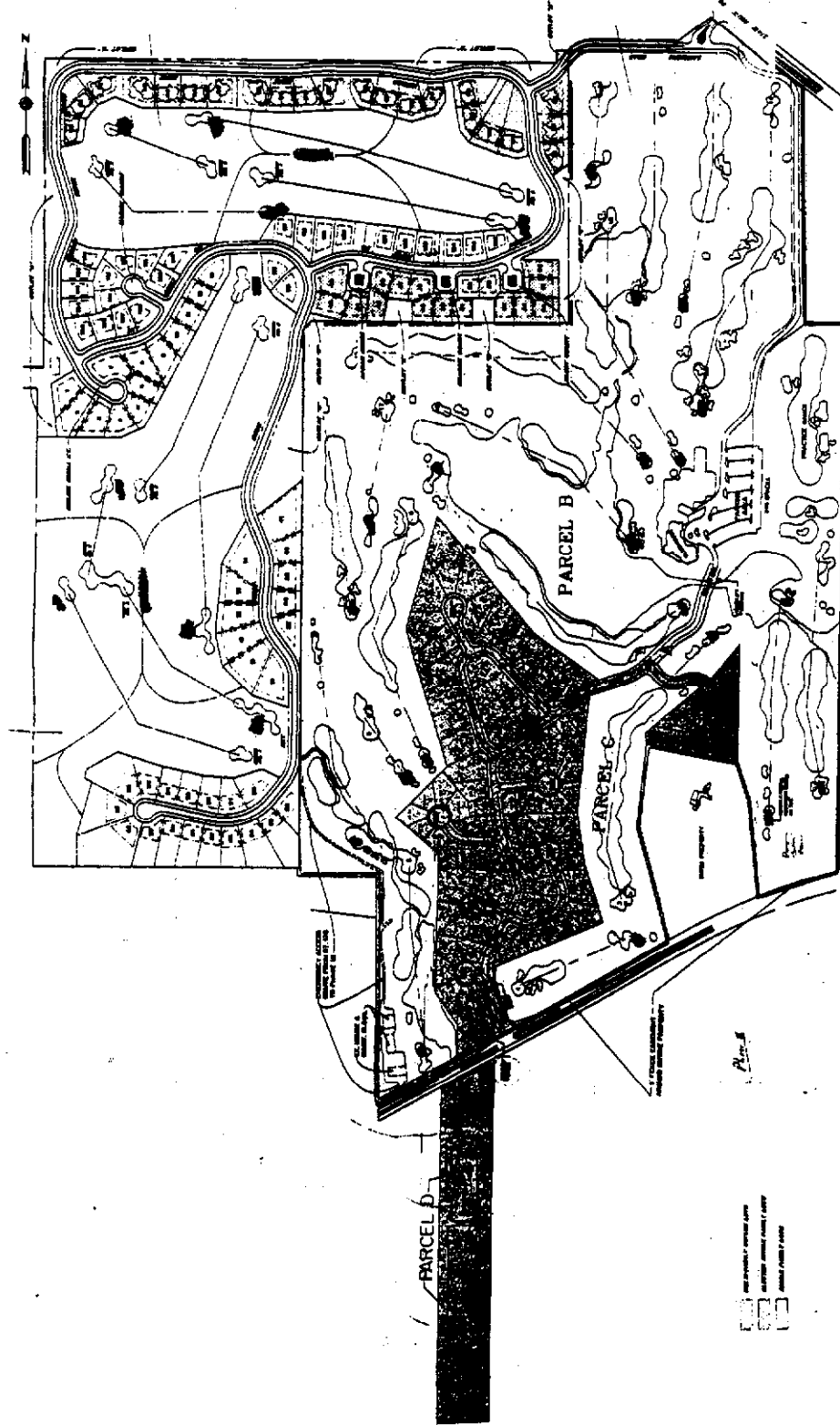


CONSUMERS ILLINOIS WATER COMPANY
NORTHWEST SUBURBAN AREAS

1/20/2000

PROF. FRANCHISE AREA





PROJECT NO.	1-1
DATE	1-1
BY	1-1
CHECKED BY	1-1
APPROVED BY	1-1
DATE	1-1

NOT TO SCALE

SEE SHEET 1.1 FOR
CONTINUED INFORMATION
AND DETAILS

Legal Description

Club Property -

PARCEL 1: OUTLOTS C, D, E, F, G, H, AND I IN IVANHOE CLUB PHASE III, BEING A SUBDIVISION OF THOSE PARTS OF LOT 16 ACCORDING TO THE PLAT AND SURVEY BY THE TRUSTEE'S OF SCHOOLS OF THE SOUTHEAST 1/4 OF SECTION 16 AND THE SOUTHWEST 1/4 OF SECTION 15 AND THE NORTHEAST 1/4 OF SECTION 21, ALL IN TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 27, 1992, AS DOCUMENT 3148232, IN LAKE COUNTY, ILLINOIS.

PARCEL 2: EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER THE PRIVATE ROADS AS LOCATED AND DEPICTED ON THE PLAT OF SUBDIVISION OF IVANHOE CLUB PHASE III, AFORESAID, IN LAKE COUNTY, ILLINOIS

PARCEL 3: EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER EASEMENT PARCELS 'A' AND 'B' AS AS GRANTED BY INSTRUMENT RECORDED AS DOCUMENT 3148232 AND EASEMENT OVER THAT PORTION OF SAUNDERS ROAD AS LOCATED AND DEPICTED ON THE PLAT OF SUBDIVISION OF IVANHOE CLUB PHASE III, AFORESAID, AND AS GRANTED BY EASEMENT RECORDED AS DOCUMENT 2975776, IN LAKE COUNTY, ILLINOIS

PARCEL 4: ALL THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 15, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE CENTER LINE OF ROUTE 59A (EXCEPT THE EAST 191.66 FEET THEREOF), IN LAKE COUNTY, ILLINOIS

PARCEL 5: THAT PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 15, TOWNSHIP AND RANGE AFORESAID, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4 WITH THE CENTER LINE OF ROUTE 59A; THENCE NORTHWESTERLY ON SAID CENTER LINE OF ROUTE 59A, 323.2 FEET; THENCE SOUTHWESTERLY 336.5 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4, 522.2 FEET WEST OF THE POINT OF BEGINNING; THENCE EAST ON SAID SOUTH LINE 522.2 FEET TO THE POINT OF BEGINNING, (EXCEPT THAT PART DEDICATED FOR SAUNDERS ROAD PER DOC 3148232), IN LAKE COUNTY, ILLINOIS.

PARCEL 6: THE EAST 270.2 FEET OF THE WEST 726.2 FEET OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIANS, LYING SOUTH OF THE CENTER OF STATE ROAD NO. 176 IN LAKE COUNTY, ILLINOIS.

PARCEL 7: THE EAST 250 FEET OF THE WEST 976.2 FEET OF THAT PART LYING SOUTH OF THE CENTER OF STATE HIGHWAY 176 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS

PARCEL 8: THE EAST 202 FEET OF THE WEST 597.5 FEET (AS MEASURED ON THE NORTH LINE) OF THAT PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER LINE OF STATE ROAD NO. 176, IN LAKE COUNTY, ILLINOIS.

PARCEL 9: THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART THEREOF FALLING IN IVANHOE CLUB PHASE III SUBDIVISION RECORDED APRIL 27, 1992 AS DOCUMENT 3148232) AND (ALSO

Legal Description

Club Property

(con't.)

EXCEPT THAT PART FALLING IN IVANHOE CLUB PHASE II SUBDIVISION RECORDED JANUARY 15, 1991 AS DOCUMENT 2981428) ALSO (EXCEPT THAT PART OF THE NORTHWEST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER OF THE STATE ROAD KNOWN AS ROUTE NO. 176 DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF SAID SOUTHWEST 1/4 1337.80 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SOUTHWEST 1/4; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 62 DEGREES 39 MINUTES FROM NORTH TO EAST, 2222.91 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING A POINT OF CURVATURE ON THE CENTER LINE OF SAID ROUTE NO. 176; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 2865.0 FEET, AN ARC DISTANCE OF 345.26 FEET AND WHOSE CHORD MEASURES 345.06 FEET AND BEARING OF NORTH 66 DEGREES 01 MINUTES 30 SECONDS EAST; THENCE NORTH 05 DEGREES 31 MINUTES 52 SECONDS WEST, 533.72 FEET; THENCE NORTH 19 DEGREES 58 MINUTES 52 SECONDS WEST, 197.60 FEET; THENCE NORTH 78 DEGREES 48 MINUTES 01 SECONDS WEST, 459.94 FEET; THENCE SOUTH 06 DEGREES 32 MINUTES 29 SECONDS WEST, 409.54 FEET; THENCE SOUTH 15 DEGREES 28 MINUTES 25 SECONDS EAST, 631.54 FEET TO A POINT OF INTERSECTION ON THE CENTER LINE OF SAID ROUTE 176; THENCE NORTH 62 DEGREES 34 MINUTES 21 SECONDS EAST ALONG SAID CENTER LINE 149.87 FEET, MORE OR LESS, TO THE POINT OF BEGINNING), IN LAKE COUNTY, ILLINOIS

PARCEL 10: THAT PART OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER OF THE STATE ROAD KNOWN AS ROUTE 176, (EXCEPT THE WEST 16 ACRES THEREOF LYING NORTH OF THE HIGHWAY CONVEYED TO JAMES VAN PLOW AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 22 AFORESAID; THENCE RUNNING EAST ON THE NORTH LINE OF SAID QUARTER SECTION, 597.5 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID QUARTER SECTION TO THE CENTER OF THE ROAD; THENCE SOUTHWESTERLY ALONG THE CENTER OF THE ROAD TO THE WEST LINE OF SAID QUARTER SECTION; THENCE NORTH ALONG THE WEST LINE OF SAID QUARTER SECTION TO THE POINT OF BEGINNING) AND (ALSO EXCEPT THAT PART THEREOF FALLING IN IVANHOE CLUB PHASE II SUBDIVISION RECORDED JANUARY 15, 1991 AS DOCUMENT 2981428) AND (ALSO EXCEPT THAT PART OF THE NORTHWEST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER OF THE STATE ROAD KNOWN AS ROUTE NO. 176 DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF SAID SOUTHWEST 1/4 1337.80 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SOUTHWEST 1/4; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 62 DEGREES 39 MINUTES FROM NORTH TO EAST, 2222.91 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING A POINT OF CURVATURE ON THE CENTER LINE OF SAID ROUTE NO. 176; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 2865.0 FEET, AN ARC DISTANCE OF 345.26 FEET AND WHOSE CHORD MEASURES 345.06 FEET AND BEARING OF NORTH 66 DEGREES 01 MINUTES 30 SECONDS EAST; THENCE NORTH 05 DEGREES 31 MINUTES 52 SECONDS WEST, 533.72 FEET; THENCE NORTH 19 DEGREES 58 MINUTES 52 SECONDS WEST, 197.60 FEET; THENCE NORTH 78 DEGREES 48 MINUTES 01 SECONDS WEST, 459.94 FEET; THENCE SOUTH 06 DEGREES 32 MINUTES 29 SECONDS WEST, 409.54 FEET; THENCE SOUTH 15 DEGREES 28 MINUTES 25 SECONDS EAST, 631.54 FEET TO A POINT OF INTERSECTION ON THE CENTER LINE OF SAID ROUTE 176; THENCE NORTH 62 DEGREES 34 MINUTES 21 SECONDS EAST ALONG SAID CENTER LINE 149.87 FEET, MORE OR LESS, TO THE POINT OF BEGINNING), IN LAKE COUNTY, ILLINOIS.

LEGAL DESCRIPTION: OF PHASE II PROPERTY

Parcel A

That part of the Northwest 1/4 and the Southwest 1/4 of Section 22, Township 44 North, Range 10, East of the Third Principal Meridian, and being more particularly described as follows: commencing at the Northwest corner of the Southwest quarter of said Section 22, thence South $89^{\circ}-57'-29''$ East, along the North line of said Southwest quarter, 687.78 feet, to the true point of beginning: thence North $01^{\circ}-25'-07''$ East, 96.31 feet, thence North $48^{\circ}-59'-52''$ West, 281.91 feet; thence North $46^{\circ}-03'-39''$ East, 350.19 Feet; thence North $16^{\circ}-59'-46''$ West, 717.76 feet; thence North $16^{\circ}-00'-14''$ East, 545.00 Feet; thence South $41^{\circ}-17'-56''$ East, 741.26 feet; thence South $55^{\circ}-12'-45''$ East, 390.49 Feet; thence North $72^{\circ}-29'-54''$ East, 117.35 feet; thence Northeasterly 118.30 feet, along an arc of a circle whose radius is 270.00 feet, and whose chord bears North $59^{\circ}-56'-46''$ East; thence North $47^{\circ}-23'-38''$ East, 168.54 Feet; thence South $42^{\circ}-36'-23''$ East, 153.87 feet; thence Southeasterly 10.47 feet, along an arc of a circle, whose radius is 70.00 feet, and whose chord bears South $46^{\circ}-53'-30''$ East; thence South $51^{\circ}-10'-38''$ East, 135.93 Feet; thence North $39^{\circ}-21'-01''$ East, 218.72 feet; thence South $00^{\circ}-20'-50''$ West, 581.40 feet; thence North $78^{\circ}-48'-01''$ West, 459.94 Feet; thence North $01^{\circ}-44'-21''$ West, 50.00 Feet; thence North $49^{\circ}-14'-47''$ East, 357.62 feet; thence North $51^{\circ}-10'-38''$ West, 124.35 Feet; thence Northwesterly 19.45 feet, along an arc of a circle, whose radius is 130.00 feet, and whose chord

bears North $46^{\circ}-53'-30''$ West; thence North $42^{\circ}-25'-22''$ West; 95.32 feet; thence South $47^{\circ}-23'-38''$ West; 108.54 feet; thence Southwesterly 144.59 feet, along an arc of a circle, whose radius is 330.00 feet, and whose chord bears South $59^{\circ}-56'-46''$ West; thence South $72^{\circ}-29'-54''$ West; 183.14 feet; thence South $5^{\circ}-45'-02''$ West, 579.66 feet; thence South $8^{\circ}-03'-14''$ East, 259.11 feet; thence South $18^{\circ}-16'-08''$ East, 298.21 feet; thence South $68^{\circ}-45'-12''$ West, 567.66 feet; thence South $04^{\circ}-24'-21''$ West, 65.14 feet; thence South $10^{\circ}-25'-36''$ East, 250.00 feet, to a point on the northerly right of way of Illinois State Route 276, as dedicated per document No. 337656, dated January 1929, thence South $62^{\circ}-34'-19''$ West, along said Northerly right-of-way, 304.00 feet; thence North $00^{\circ}-26'-15''$ East, 170.26 feet; thence North $37^{\circ}-01'-49''$ West, 188.21 feet; thence North $01^{\circ}-25'-07''$ East, 365.12 feet to the point of beginning, all in Lake County Illinois.

LEGAL DESCRIPTION: OF PHASE III PROPERTY

Being a subdivision of those parts of Lot 16 according to the plat and survey by the Trustees of Schools of the Southeast 1/4 of Section 16 and the Southwest 1/4 of Section 15 and the Northeast 1/4 of Section 21, all in Township 44 North, Range 10, East of the Third Principal Meridian, according to the plat thereof recorded April 27, 1992 as Document Number 314 8232 in Lake County, Illinois, except for Outlots C, D, E, F, G, H and I.

PURCHASE AND SALE AGREEMENT

by and among

**THORNGATE COUNTRY CLUB, INC.,
an Illinois corporation**

and

**BANCO POPULAR, ILLINOIS, not personally
but solely as Trustee under the provisions
of a Trust Agreement dated December 1, 1986,
and known as Trust Number 1250**

(collectively, as Seller)

and

**CONSUMERS ILLINOIS WATER COMPANY,
an Illinois corporation**

(as Purchaser)

Effective Date: December 31, 1999

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement") is dated as of December 31, 1999, by and among THORNGATE COUNTRY CLUB, INC., an Illinois corporation ("Thorngate") and BANCO POPULAR, ILLINOIS, not personally but solely as Trustee under the provisions of a Trust Agreement dated December 1, 1986, and known as Trust Number 1250 ("Trustee") (Thorngate and Trustee are collectively referred to as "Seller"), and CONSUMERS ILLINOIS WATER COMPANY, an Illinois corporation ("Purchaser").

RECITALS:

- A. Seller owns fee simple title to the real property legally described on Exhibit A (the "Club Property");
- B. Adjacent to the Club Property is that certain residential real property legally described on Exhibit B (the "Residential Property");
- C. Pursuant to that certain Conditional Use Permit dated January 18, 1991 and issued by the County of Lake as Permit Number 91-248-RS, and that certain Conditional Use Permit dated July 11, 1991 and issued by the County of Lake as Permit Number 91-258-RS, the Club Property and the Residential Property are collectively referred to as the "Ivanhoe Club Planned Unit Development" (the "Development"), which is further described on that certain: (a) Amended Final Development Plan for Ivanhoe Club Planned Unit Development Phases I & II, dated June 21, 1991 attached hereto as Exhibit C; (b) Ivanhoe Club Phase II Final Plat of Subdivision, recorded on January 15, 1991, with the Office of the Recorder of Deeds for Lake County, Illinois (the "Lake County Recorder") as Document Number 2981428 (the "Phase II Plat") (shows Phase II portion of Residential Property only); (c) Final Plat of Ivanhoe Club Phase III, recorded on April 27, 1992, with the Lake County Recorder as Document Number 3148232 (the "Phase III Subdivision Plat") (shows Phase III portion of Residential Property only); and (d) Final Plat of Ivanhoe Club Phase III Resubdivision, recorded on June 26, 1995, with the Lake County Recorder as Document Number 3687910 (the "Phase III Resubdivision Plat") together with the Phase III Subdivision Plat, the "Phase III Plat").
- D. Located throughout the Development is the Water and Sewer System (as defined below).
- E. Seller owns the portion of the Water and Sewer System which is located within the Club Property.
- F. Purchaser is a public utility that furnishes water and sanitary sewer services to various users throughout the State of Illinois.
- G. Seller wishes to sell, and Purchaser wishes to purchase the Club Water and Sewer Assets (as defined below) on the terms, conditions and provisions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants, representations, warranties and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **Purchase and Sale of Acquired Assets.** Subject to the terms, conditions and provisions set forth in this Agreement, Purchaser shall purchase from Seller, and Seller shall sell, assign, transfer, grant, convey and deliver to Purchaser at the Closing (as defined below) the Club Water and Sewer Assets.

The "Club Water and Sewer Assets" are defined as all of Seller's assets, properties and rights, whether tangible or intangible, real, personal or mixed, which are held or used by Seller with respect to the distribution of potable water and the collection, treating and disposing of waste water within the Development. Without limiting the generality of the foregoing, the Club Water and Sewer Assets include the following:

(a) **The Club Water and Sewer System.** All of Seller's right, title and interest in and to the water and sanitary sewer system serving the Development (the "**Water and Sewer System**") including:

- (i) the potable water supply system consisting of a water treatment plant, all wells, reservoirs, aquifers, distribution lines, service lines from the water distribution line to the curb stop, including the curb stop and the curb box, and such other equipment and facilities used to supply potable water to the Development;
- (ii) the waste water treatment system consisting of all purification lagoons, storage stations, chlorination facilities, groundwater monitoring wells, force mains, comminutors, lift stations, pumping equipment, aeration equipment, collection lines (including the 12 inch effluent line from the lagoon system to the Irrigation Pump Station [as hereinafter defined] [the "**Effluent Line**"]), manholes, and such other equipment and facilities used to provide waste water treatment services to the Development;
- (iii) meters used to measure usage of the potable water system and the waste water treatment system.

The items described in (i), (ii) and (iii), to the extent owned by Seller, are collectively referred to herein as the "**Club Water and Sewer System**". With the exception of the Lagoon Tract (as hereinafter defined) and the Easements (as hereinafter defined), and notwithstanding anything to the contrary herein, all real property interests which Seller shall be obligated to convey hereunder shall be limited to the functional components of the Club Water and Sewer System and shall exclude all earthen areas located above, below or around such system and the term "Club Water and Sewer System", as used herein, shall be deemed to incorporate such limitation (the "**Functional Component Limitation**").

(b) Easements, Rights-of-Way, Licenses. (i) Pursuant to an assignment in a form to be agreed upon by Seller and Purchaser at Closing (the "Assignment of Easements"), all of Seller's right, title and interest, to the extent assignable, in and to any easements, rights-of-way, leases, licenses or similar rights of use previously reserved or granted to Seller with respect to real property other than the Club Property (including, without limitation, the Residential Property) which are or may be used in connection with the Club Water and Sewer System, and (ii) pursuant to a grant of easement in a form to be agreed upon by Seller and Purchaser at Closing (the "Grant of Easement"), all other easements, rights-of-way, licenses or similar rights of use on, over or under the Club Property which are necessary to construct, operate, use, inspect, maintain, repair, replace, reconstruct, remove, or exercise any other incidents of ownership concerning the Club Water and Sewer System, together with a right of access for such purposes (except for access to the potable water reservoir located near the second hole on the 18 hole golf course on the Club Property) (all of the easements provided for under the Assignment of Easements and Grant of Easement are collectively referred to herein as the "Easements").

(c) Contractual Rights, Leases, Licenses, Permits. All of Seller's right, title and interest in and to any contracts, leases, licenses, permits, authorizations, approvals (collectively, "Contracts") and any intangible property relating to the ownership or operation of the Club Water and Sewer System (collectively, "Contracts and Intangible Property").

(d) Lagoon Tract. The real property referred to as "Parcel D" on Exhibit A together with all buildings, improvements, fixtures and equipment situated on Parcel D and all appurtenances thereto (all of the foregoing are collectively, the "Lagoon Tract"), subject to the Right of First Offer Regarding the Lagoon Tract (as defined below).

(e) Right of First Offer. The Right of First Offer Regarding the Adjacent Tract (as defined below).

(f) Miscellaneous Assets. All of Seller's right, title and interest in and to all supplies and miscellaneous assets, including keys and lock combinations, customer and supplier lists, customer records, meter readings, billing information, files, data, plans, maps and all other properties and assets that are related to or used or useful in connection with the Club Water and Sewer System.

Anything in this Agreement to the contrary notwithstanding, the Club Water and Sewer Assets do not include and in no event shall Purchaser be deemed to have assumed any obligation with regard to any of the following except as expressly provided otherwise in Section 20(d): (i) the irrigation pump station located on the golf course portion of the Club Property (the "Irrigation Pump Station") and the irrigation system serving the Club Property (the "Club Irrigation System"), and (ii) stormwater detention facilities or improvements.

Seller shall convey the Club Water and Sewer Assets to Purchaser free and clear of all mortgages, liens, pledges, security interests, claims, restrictions and encumbrances (collectively, "Encumbrances") except for the Permitted Exceptions (as defined below).

2. Purchase Price and Earnest Money. The purchase price for the Club Water and Sewer Assets shall be ONE HUNDRED DOLLARS (\$100) (the "Purchase Price"). The parties

acknowledge that, on January 6, 1999, Purchaser deposited, as earnest money, TWENTY-THOUSAND DOLLARS (\$20,000) (the "Earnest Money Deposit") into that certain interest bearing Strict Joint Order Escrow, Escrow Trust Number 98141153, by and among Purchaser, Seller, and Chicago Title and Trust Company (the "Escrowee"). All interest earned on the Earnest Money Deposit shall be for the benefit of Purchaser. If the transaction contemplated by this Agreement closes in accordance with its terms, then at the Closing the Earnest Money and all interest earned thereon (collectively, the "Earnest Money") shall be applied against the Purchase Price, plus or minus prorations and adjustments provided for herein, and thereafter, the balance of the Earnest Money shall be promptly delivered to Purchaser. If the transaction contemplated in this Agreement does not close for any reason other than a Default by Purchaser, as described in Section 16(b), then the Earnest Money, shall be promptly delivered to Purchaser.

3. Due Diligence; Right to Terminate.

(a) Seller shall give Purchaser, its officers, employees, accountants, counsel and other agents (collectively, "Purchaser's Agents") free and full access to and the right to inspect, during normal business hours, all of the properties and documents relating to the Club Water and Sewer Assets, and shall permit the Purchaser's Agents to consult with the officers, employees, accountants, counsel and other agents of Seller for the purpose of making such investigations, provided that the investigations do not unreasonably interfere with the business or operations of Seller.

(b) Within fifteen (15) days after the Effective Date, Seller shall have delivered to Purchaser true, correct and complete copies of the following items to the extent in Seller's possession:

(i) All title documents and reports regarding title to the Water and Sewer System.

(ii) All plans and maps concerning the location, construction and operation of the Water and Sewer System.

(iii) All Contracts.

(iv) A list of all lots for which as of the Effective Date there has not been paid the \$12,000 Access Fee (as such term is defined in that certain Declaration of Covenants, Conditions and Restrictions for the Mutual Water and Sewer System of the Ivanhoe Club, by and among Red Top Development Corporation, an Illinois corporation ("Red Top"), Capitol Bank of Chicago, as Trustee under Trust #1250 ("Capitol Trustee"), Brook-Ridge Development, Inc., an Illinois corporation ("Brook-Ridge") and Thorngate, recorded January 15, 1991, with the Lake Country Recorder as Document Number 2981431 (the "Water and Sewer Declaration" and that certain Amended and Restated Memorandum of Contract, dated as of December 21, 1990, by and among Thorngate, Capitol Trustee, Brook-Ridge, Red Top, and the Ivanhoe Development Limited Partnership, an Illinois limited partnership ("IDL"), recorded January 16, 1991, with the Lake Country Recorder as Document Number 2981799).

(v) The most recent real estate and personal property tax bills and assessments pertaining to the Club Water and Sewer System and the Lagoon Tract.

(vi) All environmental reports which have been or are being prepared with respect to all or any portion of the Club Water and Sewer System.

(vii) All other documents or information with respect to all or any portion of the Club Water and Sewer Assets which may be material to a purchaser of the same (including a list of any material defects concerning the Club Water and Sewer System) and any other information reasonably requested by Purchaser.

(c) If, based upon Purchaser's investigations, Purchaser is not satisfied with the Club Water and Sewer Assets, Purchaser shall have the right to terminate this Agreement by delivering written notice of termination to Seller within sixty (60) days of the Effective Date, in which event the Earnest Money shall be promptly delivered to Purchaser, and thereafter, neither Seller nor Purchaser shall have any further rights or obligations under this Agreement.

4. **"As-Is Condition of the Assets"**. Purchaser acknowledges and agrees that upon the Closing, subject to the terms and conditions of this Agreement, Seller shall convey the Club Water and Sewer Assets "as is, where is," with all faults, and that except for the representations and warranties provided for in this Agreement, Seller does not make and shall not be deemed to have made any warranties of merchantability, fitness for a particular purpose, habitability or any other warranty with respect to the Club Water and Sewer Assets. The terms and conditions of this Section 4 shall survive the Closing and the delivery of the conveyance documents described herein.

5. **Certain Covenants of Seller.**

Up to and including the Closing Date (as defined below):

(a) Seller shall operate its business with respect to the Club Water and Sewer Assets in the ordinary course consistent with its past practice, including preserving present relationships with customers, suppliers and service providers.

(b) Seller shall maintain the Club Water and Sewer Assets free from waste and neglect and otherwise in accordance with its past practice.

(c) Seller shall maintain in full force and effect liability, casualty and other insurance with respect to the Club Water and Sewer Assets covering risks and in amounts which are in accordance with its past practice. Seller shall promptly advise Purchaser in writing of any change in insurer or type of coverage with respect to such insurance.

(d) Seller shall comply with all laws, ordinances, rules, regulations, rulings, orders, decrees, judgment or requirement of any governmental authority and any covenants, conditions and restrictions (all of the foregoing are collectively, "Laws") applicable to Seller or the Club Water and Sewer Assets.

(e) Seller shall not do, suffer or permit, or agree to do, any of the following:

(i) Enter into any transaction or grant any interest with respect to any portion of the Club Water and Sewer Assets except (a) in favor of Purchaser as contemplated in this Agreement, or (b) in the ordinary course of operations but in no event so as to encumber the Club Water and Sewer Assets on the Closing Date unless such encumbrance is provided for herein or approved in writing by Purchaser;

(ii) Perform or permit any act which will diminish or otherwise affect Purchaser's interest under this Agreement or will prevent Seller's full performance of its obligations under this Agreement except as required by Law; and

(iii) Make or commit to make without the prior written consent of Purchaser any capital expenditures regarding the Club Water and Sewer Assets in excess of \$500 for any single item or \$2,500 in the aggregate, except in the case of an emergency, in which case, such advance consent shall not be required but Seller shall be required to give Purchaser notice of the expenditure as soon as reasonably possible.

(f) Seller shall make a good faith effort to promptly cause (i) a title company selected by Purchaser (the "Title Company") to insure good and marketable title in Purchaser to the Easements and the Lagoon Tract; (ii) the full execution of the Ancillary Documents (as defined below), and (iii) the receipt of the ICC Approval (as defined below) to the extent Seller's cooperation is reasonably required in connection with such approval.

(g) Seller shall cooperate with Purchaser in sending any notices to Seller's customers, suppliers or service providers with regard to the Club Water and Sewer Assets as Purchaser deems reasonably necessary in connection with the transaction contemplated under this Agreement.

(h) Seller shall preform and comply in all material respects with all agreements, covenants, representations, and conditions required pursuant to the terms of this Agreement to be preformed, made or satisfied by Seller prior to the Closing Date.

(i) Seller shall notify Purchaser promptly if Seller becomes aware, prior to the Closing Date, of any information, transaction or occurrence which caused or may cause Seller to breach any of its covenants, representations, warranties or other obligations under this Agreement.

Notwithstanding the foregoing in Section 5(a), 5(b) and 5(d), to the extent that under the terms of that certain Ivanhoe Club Planned Unit Development Water and Sanitary Sewer System Maintenance Agreement, dated as of the date hereof, by and among Seller and the Water and Sewer Association, collectively as owner, and Purchaser as agent (the "Maintenance Agreement"), Purchaser is expressly obligated to provide certain services which by their very nature are substantially similar to the obligations required of Seller under Section 5(a), 5(b) or 5(d), then the terms of the Maintenance Agreement shall govern and Seller shall be relieved of its liability under Section 5(a), 5(b) and/or 5(d) with respect to such obligations subject to the terms of the Maintenance Agreement.

6. **Representations and Warranties of Seller.** To induce Purchaser to execute and deliver this Agreement and to perform its obligations hereunder, and without regard to any independent investigation of Purchaser, Seller represents and warrants to Purchaser on and as of the Effective Date, as follows:

(a) **Due Authorization: Valid and Binding.** With the exception of any approval required under applicable Laws, Seller has all requisite power and authority to execute, deliver and perform this Agreement and all related agreements, and to perform all of its obligations under this Agreement and all related agreements. The execution and delivery of this Agreement and all related agreements and the transactions contemplated thereunder have been or will be by the Closing Date duly authorized by all requisite action on the part of Seller. This Agreement and all related agreements constitute valid and binding obligations of Seller, enforceable in accordance with their terms.

(b) **No Conflicts.** Provided that the conditions precedent set forth in Section 9(a) and Section 9(d) are satisfied, the execution, delivery and performance of this Agreement and related agreements shall not (i) conflict with or breach any agreement to which Seller is a party or to which any of the Club Water and Sewer Assets are bound; (ii) violate any Law applicable to Seller or to which any of the Club Water and Sewer Assets are bound; or (iii) require the authorization from any other third party.

(c) **No Legal Obstruction. Litigation.** To the best of Seller's knowledge, no Law exists which would prevent Purchaser from using the Club Water and Sewer Assets for the purposes for which they are presently used by Seller or intended to be used by Purchaser. No claim, action, suit, proceeding or investigation by or before any court or other governmental authority has been served upon or, to the best of Seller's knowledge, threatened with respect to Seller, the Club Water and Sewer Assets, or the transactions contemplated under this Agreement.

(d) **Compliance with Laws.** To the best of Seller's knowledge, (a) Seller is in compliance with all applicable Laws; and (b) the Club Water and Sewer Assets and the operations associated with them have not been and are not in violation of any applicable Laws and Seller has not received any notice regarding a violation or potential violation of such Laws.

(e) **No Material Adverse Conditions.** To the best of Seller's knowledge, there are no conditions or developments existing or threatened which would have a material adverse effect on the Club Water and Sewer Assets.

(f) **Title to Assets.** Seller holds good and marketable title to the Club Water and Sewer Assets and shall convey the same to Purchaser free and clear of all Encumbrances except for those set forth in title commitments or surveys ordered by Purchaser and expressly approved by Purchaser in writing (the "Permitted Exceptions"). Notwithstanding the foregoing, the Permitted Exceptions shall include the items set forth on Exhibit D and all other matters set forth in a title commitment or survey to the extent that such exceptions do not materially interfere with Purchaser's intended ownership and use of the Club Water and Sewer Assets consistent with Seller's past practice. Notwithstanding the foregoing, Seller shall, prior to or at the Closing, cause the removal of all monetary liens and encumbrances of a definite and ascertainable amount

affecting any portion of the Club Water and Sewer Assets arising by or through the Club (collectively, "Monetary Liens").

(g) Rights to Facilities. Seller holds good and valid rights to occupy and to obtain access to all areas where the mains and other facilities of the Club Water and Sewer System are located and such rights shall be effectively conveyed to Purchaser pursuant to the grant of easements and assignment of easements described in Section 11(a)(3) herein.

(h) Condition of the Assets. The tangible property included in the Club Water and Sewer Assets has not sustained material damage or otherwise required significant repair in the past twelve (12) months, or if such damage has occurred or repair was required, then the property has been fully repaired to the extent required to cause it to operate in the same condition it existed prior to the occurrence of such damage or cause for repair.

(i) Rights Under Recorded Documents, Contracts and Intangible Property. To the best of Seller's knowledge, (a) the Declaration of Covenants, Conditions and Restrictions for Ivanhoe Club P.U.D. recorded January 15, 1991, with the Lake Country Recorder as Document Number 2981430 (the "Phase II Declaration"), (b) the Water and Sewer Declaration, (c) the Declaration of Covenants, Conditions and Restrictions for Phase III of the Ivanhoe Club P.U.D. recorded April 27, 1992, with the Lake Country Recorder as Document Number 3148233 (the "Phase III Declaration"), (d) the Phase II Plat, and (e) the Phase III Plat which collectively, among other things, grant or reserve to Seller easements that are used or useful in connection with the Club Water and Sewer System and all documents constituting the Contracts and Intangible Property constitute valid and binding obligations enforceable in accordance with their terms and are in full force and effect. To the best of Seller's knowledge, no defaults exist under such documents and no event has occurred or condition exists which, with the passage of time or giving of notice, or both, would constitute a default by either Seller or any third party.

(j) Contracts with Suppliers and Service Providers. Seller is not a party to any contract for the purchase of, or payment for, supplies, equipment or services related to the Club Water and Sewer System, except such contracts which shall not survive the Closing.

(k) Environmental Laws.

(i) Compliance with Law. To the best of Seller's knowledge, Seller has been and is in compliance with all Environmental Laws (as defined below) and has not received written notice of an alleged violation of an Environmental Law.

(ii) Adequacy of Permits. Seller has obtained and continues to possess all permits, licenses, approvals or other authorizations which are required under the Environmental Laws, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record-keeping requirements under the Environmental Laws.

- (iii) Compliance with Environmental Laws. To the best of Seller's knowledge, there are no past or present events, conditions, circumstances, activities, practices, incidents, actions or plans pertaining or relating to the Club Water and Sewer Assets which may impede or prevent continued compliance with the Environmental Laws or which may give rise to any civil or criminal liability under the Environmental Laws.
- (iv) Complete Disclosure. Seller has provided to Purchaser complete disclosure of all past and present Environmental Conditions (as defined below) pertaining or relating to the Club Water and Sewer Assets.
- (v) Compliance with Decrees. Seller has been and is in compliance with all orders, decrees, judgments and notices delivered to Seller under or in connection with the Environmental Laws.
- (vi) Cooperation for Compliance. Seller shall cooperate with Purchaser in demonstrating any past or present compliance, abatement, requirement or correction under the Environmental Laws pertaining or relating to the Club Water and Sewer Assets in connection with any application for the transfer, renewal, or issuance of any permits, licenses, approvals or other authorizations in favor of Purchaser or to satisfy any regulatory requirements involving use of the Club Water and Sewer Assets.

As used herein, the term "Environmental Laws" shall include all federal, state and local environmental laws and regulations, including, without limitation, the Clean Water Act, also known as the Federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq., the Superfund Amendment and Reauthorization Act of 1986, Public Law 99-499, 100 Stat., 1613, the Resource Conservation and Recovery Act, 42 U.S.C. 6901, the Toxic Substance Control Act, 15 U.S.C. §2601 et seq. and regulations related thereto. Any reference to legislative act or regulation shall be deemed to include all amendments thereto and all regulations, orders, decrees, judgments or notices issued thereunder.

As used herein, the term "Environmental Condition" shall mean any condition or circumstance related to the Club Water and Sewer Assets of which Seller has been made aware by notice, whether created by Seller or any other party, which (i) required or requires abatement or correction under an Environmental Law, or (ii) has given or may give rise to any civil or criminal liability under an Environmental Law, or (iii) has created or may create a public or private nuisance, including the presence of asbestos, PCB's, hazardous substances, radioactive waste or radon, on, in or about the Club Water and Sewer Assets.

(l) Customer Records. The data contained in the customer records provided to Purchaser is true, correct and complete.

(m) No Failure to Disclose. Seller has not knowingly failed to disclose to Purchaser any material fact of which Seller is aware pertaining to any fact or circumstance, the existence or

absence of which has or might reasonably be foreseen to have a material adverse effect on the current use, condition or value of all or any portion of the Club Water and Sewer Assets.

(n) Beneficial Interest. Thorngate owns 100% of the beneficial interest in Trustee and has the power of direction under the Trust Agreement dated December 1, 1986 and known as Trust Number 1250.

(o) Adequacy of Assets Pursuant to this Agreement. Upon the consummation of the sale of the Club Water and Sewer Assets in accordance with the terms of this Agreement, Purchaser shall have acquired all of Seller's assets which are used or useful in order to own and operate the Club Water and Sewer System in a manner substantially similar to the ownership and operation of such system prior to the Closing Date.

(p) Parties Having an Ownership Interest with Respect to the Water and Sewer System. To the best of Seller's knowledge, the only parties, in addition to itself, which potentially have an ownership interest in the Water and Sewer System are: the Ivanhoe Club Mutual Water and Sewer System, Inc. (the "Water and Sewer Association"); Brook-Ridge; Laser Land Development Company ("Laser"); First State Bank and Trust Company of Park Ridge, as Trustee under Trust #2035 ("First State Bank Trustee"); IDLP; the Ivanhoe Club Property Owners Association, Inc. (the "Phase II Association"); and the Ivanhoe Club Phase III Property Owners Association, Inc. (the "Phase III Association").

(q) Adequacy of Assets Pursuant to this Agreement and the Ancillary Documents. To the best of Seller's knowledge, upon the consummation of the sale of the Club Water and Sewer Assets in accordance with the terms of this Agreement, and upon the consummation of the sales of the portions of the Water and Sewer System located within the Residential Property in accordance with the terms of the documents described in Section 8(a)(i), (ii), (iii), (iv), and (v), Purchaser shall have acquired all right, title and interest to the Water and Sewer System and shall be able to operate such system in a manner substantially similar to its operation prior to the Closing Date.

(r) Dissolution of Red Top. To the best of Seller's knowledge, Red Top dissolved as a corporation and no former shareholder, representative, or agent of Red Top claims or has claimed an interest in the Development since said dissolution.

References in this Agreement to the "best of Seller's knowledge" and words of similar import shall mean the actual knowledge of Seller as of the Effective Date, and to the extent Seller is required to remake representations and warranties herein on the Closing Date, as of the Closing Date, all without independent investigation or inquiry.

The provisions of this Section 6 shall survive the Closing and delivery of the conveyance documents described herein subject to the provisions of Section 16(c) herein.

7. Representations and Warranties of Purchaser. To induce Seller to execute and deliver this Agreement and to perform its obligations hereunder, Purchaser hereby represents to Seller on and as of the Effective Date, as follows:

(a) Due Authorization: Valid and Binding. With the exception of the ICC Approval (as hereinafter defined) and any other approval required under applicable Laws, Purchaser has all requisite power and authority to execute, deliver and perform this Agreement and all related agreements, and to perform all of its obligations under this Agreement and all related agreements. The execution and delivery of this Agreement has been and all related agreements and the transactions contemplated thereunder have been or will be by the Closing Date duly authorized by all requisite action on the part of Purchaser. This Agreement and all related agreements constitute valid and binding obligations of Purchaser, enforceable in accordance with their terms.

(b) Purchaser Status. Purchaser is a "public utility" as such term is defined under the Illinois Public Utilities Act, § 220 ILCS 5/3-105 and furnishes water and sanitary sewer services to various users throughout the State of Illinois.

(c) No Conflicts. Provided that the conditions set forth in Section 8 are satisfied, the execution, delivery and performance of this Agreement and related agreements shall not (i) conflict with or breach any agreement to which Purchaser is a party; (ii) violate any Law applicable to Purchaser; or (iii) require the authorization from any other third party.

(d) No Legal Obstruction, Litigation. To the best of Purchaser's knowledge, no claim, action, suit, proceeding or investigation by or before any court or other governmental authority has been served upon or, to the best of Purchaser's knowledge, threatened with respect to Purchaser or the transactions contemplated under this Agreement, or if so served upon or threatened with respect to Purchaser, would not have a material adverse effect on Purchaser's ability to perform its obligations under this Agreement.

References in this Agreement to the "best of Purchaser's knowledge" and words of similar import shall mean the actual knowledge of Purchaser as of the Effective Date, and to the extent Purchaser is required to remake representations and warranties herein on the Closing Date, as of the Closing Date, all without independent investigation or inquiry.

The provisions of this Section 7 shall survive the Closing and the delivery of the conveyance documents described herein subject to the provisions of Section 16(c) herein.

8. Conditions Precedent to Purchaser's Obligation to Close.

The obligation of Purchaser under this Agreement to consummate the transactions contemplated herein are subject to the satisfaction, at or before the Closing, of all of the following conditions, any one or more of which may be waived in whole or in part in writing at the option of Purchaser:

(a) The following agreements, all of which shall be in form and substance satisfactory to Purchaser, shall be validly and fully executed by the parties to the agreements:

(i) Agreement of Purchase and Sale, by and between the Water and Sewer Association, as seller, and Purchaser, as purchaser, and all agreements contemplated thereunder.

(ii) The Phase II Association and the Water and Sewer Association shall have consented in writing to the transfer of the south 1400 feet of the Club Property and equipment thereon to Purchaser in accordance with the terms of this Agreement.

(iii) Easement Agreement, by and between the Phase II Association, as grantor, and Purchaser, as grantee.

(iv) Easement Agreement, by and between the Phase III Association, as grantor, and Purchaser, as grantee.

(v) Termination of the Declaration of Covenants, Conditions and Restrictions for the Mutual Water and Sewer System for the Ivanhoe Club by and between Seller and Brook-Ridge and all other parties required under the Water and Sewer Declaration.

(vi) Termination of Seller's obligation to provide water and sanitary sewer service to Laser pursuant that certain Agreement, dated as of November 6, 1990, by and between Seller and Laser.

(vii) A release of lien and/or subordination agreement executed by Bank One, NA, with respect to its interests in the Club Water and Sewer Assets (the "Bank One Release").

(viii) Quit Claim Bill of Sale and Quit Claim Deed, from Brook-Ridge, Laser, First State Bank Trustee, IDLP, the Phase II Association and the Phase III Association, in favor of Purchaser, conveying all of their right title and interest, if any, in and to the Water and Sewer System wherever located within the Development (the agreements in subparagraphs (i) through (viii) are collectively, the "Ancillary Documents").

(b) The Illinois Commerce Commission (the "ICC") shall have entered an Order, no longer subject to appeal, acceptable in form and content to Purchaser in its sole discretion which: (A) grants to Purchaser a Certificate of Public Convenience and Necessity, authorizing Purchaser to provide water and sewer service within the Development; (B) approves the provisions of Section 20(b)(i) of this Agreement with regard to water and sewer rates charged to customers within the Development; (C) authorizes Purchaser to collect the Access Fee and pay the same to Seller in accordance with Section 20(b)(ii); (D) finds that any access fees with respect to the Club Water and Sewer System are reasonable, above-the-line operating costs for rate-making purposes; and (E) approves the accounting treatment for the Water and Sewer System to be acquired by Purchaser (such approvals are collectively referred to herein as the "ICC Approval").

(c) To the extent required by applicable Law, the County of Lake Department of Building and Zoning (the "Zoning Department") shall have amended the current Conditional Use Permit Number 91-248-RS issued January 18, 1991 and Conditional Use Permit Number 91-258-RS issued July 11, 1991, or in lieu thereof, shall have issued new such permits in favor of Purchaser, in order to evidence the Zoning Department's authorization of the Purchaser's ownership and operation of the Water and Sewer System in accordance with the terms of this Agreement (the "Zoning Department Approval").

(d) The execution of any other agreement or consent required by a third party or applicable Law reasonably necessary in order to effect the transactions contemplated under this Agreement, the Ancillary Documents and related agreements.

(e) Seller shall have performed, satisfied and complied with all covenants, agreements and conditions in this Agreement required to be performed or complied with by it on or before the Closing Date, and the representations and warranties of Seller in this Agreement shall be true and correct as of the Closing Date, or if not true and correct, shall be otherwise approved in writing by Purchaser in Purchaser's sole discretion; provided however, that to the extent representations and warranties are not true at Closing through no fault of Seller, Purchaser's remedy for such default, notwithstanding the terms of Section 16(a) herein, shall be limited to a return of the Earnest Money.

(f) Seller shall have delivered to Purchaser all of Seller's Closing Deliveries (as described below).

9. Conditions Precedent to Seller's Obligation to Close.

The obligation of Seller under this Agreement to consummate the transactions contemplated herein are subject to the satisfaction, at or before the Closing, of all of the following conditions, any one or more of which may be waived in whole or in part in writing at the option of Seller:

(a) The Phase II Association and the Water and Sewer Association shall have consented in writing to the transfer of the south 1400 feet of the Club Property and equipment thereon to Purchaser in accordance with the terms of this Agreement.

(b) Purchaser shall have performed, satisfied and complied with all covenants, agreements and conditions in this Agreement required to be performed or complied with by it on or before the Closing Date, and the representations and warranties of Purchaser in this Agreement shall be true and correct as of the Closing Date.

(c) Purchaser shall have delivered to Seller all of Purchaser's Closing Deliveries (as described below).

(d) Purchaser shall have received (i) consents required for the execution of the Ancillary Documents and full execution of the same, (ii) the ICC Approval, (iii) the Zoning Department Approval, and all other third party approvals as may be necessary in order to permit Purchaser's ownership and operation of the Water and Sewer System in accordance with the terms of this Agreement, including, without limitation, Section 20(b)(i) and 20(b)(ii) herein.

10. Closing Date. Provided that all conditions set forth in Section 8 and Section 9 have been satisfied, the transactions contemplated hereby shall be consummated (the "Closing") on the date which is thirty (30) days after the date that the ICC Approval is obtained, or on such other date as mutually agreed upon by Purchaser and Seller. The date of the Closing is referred to as the "Closing Date". The Closing shall take place at the office of Purchaser's attorneys at 77 West Wacker Drive, Suite 3500, Chicago, Illinois 60601.

TRUSTEE'S GENERAL EXCULPATORY EXHIBIT

This Purchase and Sale Agreement is executed by the Banco Popular North America as Successor to Capitol Bank & Trust, Trustee under Trust Agreement dated December 1, 1986 and known as Trust No. 1250 and accepted upon the express understanding that the Banco Popular North America enters into the same not personally, but only as Trustee and that no personal liability is assumed by nor shall be asserted or enforced against the Banco Popular North America because of or on account of the making or executing this document or of anything therein contains, all such liability, if any being expressly waived, nor shall the Banco Popular be held personally liable upon or in consequence of any of the covenants of this document either expressed, or implied, trustee being fully exempted, nothing herein contained shall limit the right of any party to enforce the personal liability of any other party to this instrument.

In Witness Whereof, the Banco Popular North America, not personally, but As Trustee aforesaid, has caused these presents to be signed by its Trust Officer and its corporate seal to be hereunder affixed and attested by its Assistant Secretary, this 24th day of January, 2000.

BANCO POPULAR NORTH AMERICA

BY: _____

LAURA HUGHES, ASSISTANT VICE PRESIDENT

ATTEST: _____

_____, ASSISTANT SECRETARY

EXHIBIT A

LEGAL DESCRIPTION OF CLUB PROPERTY

[See Attached]

Legal Description

Club Property

PARCEL 1: OUTLOTS C, D, E, F, G, H, AND I IN IVANHOE CLUB PHASE III, BEING A SUBDIVISION OF THOSE PARTS OF LOT 16 ACCORDING TO THE PLAT AND SURVEY BY THE TRUSTEES OF SCHOOLS OF THE SOUTHEAST 1/4 OF SECTION 16 AND THE SOUTHWEST 1/4 OF SECTION 15 AND THE NORTHEAST 1/4 OF SECTION 21, ALL IN TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 27, 1992, AS DOCUMENT 3148232, IN LAKE COUNTY, ILLINOIS.

PARCEL 2: EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER THE PRIVATE ROADS AS LOCATED AND DEPICTED ON THE PLAT OF SUBDIVISION OF IVANHOE CLUB PHASE III, AFORESAID, IN LAKE COUNTY, ILLINOIS

PARCEL 3: EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER EASEMENT PARCELS 'A' AND 'B' AS AS GRANTED BY INSTRUMENT RECORDED AS DOCUMENT 3148232 AND EASEMENT OVER THAT PORTION OF SAUNDERS ROAD AS LOCATED AND DEPICTED ON THE PLAT OF SUBDIVISION OF IVANHOE CLUB PHASE III, AFORESAID, AND AS GRANTED BY EASEMENT RECORDED AS DOCUMENT 2975776, IN LAKE COUNTY, ILLINOIS

PARCEL 4: ALL THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 15, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE CENTER LINE OF ROUTE 59A (EXCEPT THE EAST 191.66 FEET THEREOF), IN LAKE COUNTY, ILLINOIS

PARCEL 5: THAT PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 15, TOWNSHIP AND RANGE AFORESAID, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4 WITH THE CENTER LINE OF ROUTE 59A; THENCE NORTHWESTERLY ON SAID CENTER LINE OF ROUTE 59A, 323.2 FEET; THENCE SOUTHWESTERLY 336.5 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE SOUTHWEST 1/4, 522.2 FEET WEST OF THE POINT OF BEGINNING; THENCE EAST ON SAID SOUTH LINE 522.2 FEET TO THE POINT OF BEGINNING, (EXCEPT THAT PART DEDICATED FOR SAUNDERS ROAD PER DOC 3148232), IN LAKE COUNTY, ILLINOIS.

PARCEL 6: THE EAST 270.2 FEET OF THE WEST 726.2 FEET OF THAT PART OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE CENTER OF STATE ROAD NO. 176 IN LAKE COUNTY, ILLINOIS.

PARCEL 7: THE EAST 250 FEET OF THE WEST 976.2 FEET OF THAT PART LYING SOUTH OF THE CENTER OF STATE HIGHWAY 176 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS

PARCEL 8: THE EAST 202 FEET OF THE WEST 597.5 FEET (AS MEASURED ON THE NORTH LINE) OF THAT PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER LINE OF STATE ROAD NO. 176, IN LAKE COUNTY, ILLINOIS.

PARCEL 9: THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART THEREOF FALLING IN IVANHOE CLUB PHASE III SUBDIVISION RECORDED APRIL 27, 1992 AS DOCUMENT 3148232) AND (ALSO

Legal Description

Club Property

(con't.)

EXCEPT THAT PART FALLING IN IVANHOE CLUB PHASE II SUBDIVISION RECORDED JANUARY 15, 1991 AS DOCUMENT 2981428) ALSO (EXCEPT THAT PART OF THE NORTHWEST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER OF THE STATE ROAD KNOWN AS ROUTE NO. 176 DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF SAID SOUTHWEST 1/4 1337.80 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SOUTHWEST 1/4; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 62 DEGREES 39 MINUTES FROM NORTH TO EAST, 2222.91 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING A POINT OF CURVATURE ON THE CENTER LINE OF SAID ROUTE NO. 176; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 2865.0 FEET, AN ARC DISTANCE OF 345.26 FEET AND WHOSE CHORD MEASURES 345.06 FEET AND BEARING OF NORTH 66 DEGREES 01 MINUTES 30 SECONDS EAST; THENCE NORTH 05 DEGREES 31 MINUTES 52 SECONDS WEST, 533.72 FEET; THENCE NORTH 19 DEGREES 58 MINUTES 52 SECONDS WEST, 197.60 FEET; THENCE NORTH 78 DEGREES 48 MINUTES 01 SECONDS WEST, 459.94 FEET; THENCE SOUTH 06 DEGREES 32 MINUTES 29 SECONDS WEST, 409.54 FEET; THENCE SOUTH 15 DEGREES 28 MINUTES 25 SECONDS EAST, 631.54 FEET TO A POINT OF INTERSECTION ON THE CENTER LINE OF SAID ROUTE 176; THENCE NORTH 62 DEGREES 34 MINUTES 21 SECONDS EAST ALONG SAID CENTER LINE 149.87 FEET, MORE OR LESS, TO THE POINT OF BEGINNING), IN LAKE COUNTY, ILLINOIS

PARCEL 10: THAT PART OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER OF THE STATE ROAD KNOWN AS ROUTE 176, (EXCEPT THE WEST 16 ACRES THEREOF LYING NORTH OF THE HIGHWAY CONVEYED TO JAMES VAN FLOW AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 22 AFORESAID; THENCE RUNNING EAST ON THE NORTH LINE OF SAID QUARTER SECTION, 597.5 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID QUARTER SECTION TO THE CENTER OF THE ROAD; THENCE SOUTHWESTERLY ALONG THE CENTER OF THE ROAD TO THE WEST LINE OF SAID QUARTER SECTION; THENCE NORTH ALONG THE WEST LINE OF SAID QUARTER SECTION TO THE POINT OF BEGINNING) AND (ALSO EXCEPT THAT PART THEREOF FALLING IN IVANHOE CLUB PHASE II SUBDIVISION RECORDED JANUARY 15, 1991 AS DOCUMENT 2981428) AND (ALSO EXCEPT THAT PART OF THE NORTHWEST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE CENTER OF THE STATE ROAD KNOWN AS ROUTE NO. 176 DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE WEST LINE OF SAID SOUTHWEST 1/4 1337.80 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SOUTHWEST 1/4; THENCE NORTHEASTERLY ALONG A LINE WHICH FORMS AN ANGLE OF 62 DEGREES 39 MINUTES FROM NORTH TO EAST, 2222.91 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING A POINT OF CURVATURE ON THE CENTER LINE OF SAID ROUTE NO. 176; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 2865.0 FEET, AN ARC DISTANCE OF 345.26 FEET AND WHOSE CHORD MEASURES 345.06 FEET AND BEARING OF NORTH 66 DEGREES 01 MINUTES 30 SECONDS EAST; THENCE NORTH 05 DEGREES 31 MINUTES 52 SECONDS WEST, 533.72 FEET; THENCE NORTH 19 DEGREES 58 MINUTES 52 SECONDS WEST, 197.60 FEET; THENCE NORTH 78 DEGREES 48 MINUTES 01 SECONDS WEST, 459.94 FEET; THENCE SOUTH 06 DEGREES 32 MINUTES 29 SECONDS WEST, 409.54 FEET; THENCE SOUTH 15 DEGREES 28 MINUTES 25 SECONDS EAST, 631.54 FEET TO A POINT OF INTERSECTION ON THE CENTER LINE OF SAID ROUTE 176; THENCE NORTH 62 DEGREES 34 MINUTES 21 SECONDS EAST ALONG SAID CENTER LINE 149.87 FEET, MORE OR LESS, TO THE POINT OF BEGINNING), IN LAKE COUNTY, ILLINOIS.

EXHIBIT B

LEGAL DESCRIPTION OF RESIDENTIAL PROPERTY

[See Attached]